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SUBJECT: Sudan and Its Nine Neighbors: Part 2 of 4; The
Highland States - Ethiopia and Eritrea

¶1. (SBU) Introduction: Sudan, the largest and arguably the most complex country ethnically in Africa, has nine neighbors. This cable, the second of a series of four, seeks to depict the bilateral relationship between Sudan and each of its adjacent states in terms of history, social and cultural ties, migration patterns, economic bonds and political relations. The series is running as follows:

-- Sudan and the Anglophones - Uganda and Kenya (Khartoum 00861);
-- Sudan and the Highland States - Ethiopia and Eritrea;
-- Sudan and the Arab States - Egypt and Libya; and
-- Sudan and the Francophones - Chad, CAR, and DROC.

Summary

¶2. (SBU) Sudan's relationship with Ethiopia and Eritrea is one of changing loyalties and sheltering each other's opposition groups. There is strong border trade between Sudan and its two eastern neighbors; however, official trade levels fall short of expectations. Sudan enjoys a positive political relationship with Ethiopia, in part due to the Ethiopia-Sudan Transmission Interconnection Project, although observers note that Sudan is squandering its opportunity for even stronger relations because of its tendency to turn towards its Arab neighbors. The disputed Fashaga region is an area of concern between Ethiopia and Sudan; however, there is currently a demarcation committee working to determine mutually agreeable borders. The relationship between the two states centers on both harboring each other's opposition groups. Despite this, in April 2006 Sudan and Eritrea agreed to upgrade diplomatic relations to the ambassadorial level. There is no official trade between Eritrea and Sudan. Vibrant cross-border trade by the informal sector takes place nonetheless, despite the closure of the border. End Summary.

History

¶3. (SBU) Historically, relations between Ethiopia and Sudan are generally good, with Ethiopia mediating the 1972 Addis Ababa Agreement between the Sudanese government and the Sudan People's Liberation Movement (SPLM), which produced eleven years of peace. The relations became strained in 1977 when Khartoum supported Somalia during the Ogden War against Ethiopia and supported Eritrean liberation movements against Ethiopia. In 1981, the tripartite agreement between Libya, Ethiopia, and Yemen worsened the relationship, because Sudanese President Jaffer Nimeiri believed that Libya was

trying to overthrow him and Ethiopia had served an accomplice. The relations further deteriorated in the mid-1980s, when Emperor of Ethiopia Haile Selassie believed that Sudan allowed Eritrean rebel groups to operate within its territory. In retaliation, Ethiopia began to support the SPLM.

¶4. (SBU) The relations between the two countries began to improve in 1991, and then declined again in 1995 because of the attempted assassination of Egyptian President Hosni Mubarak during the 1995 Organization of African Unity summit in Addis Ababa. Khartoum was implicated in aiding the would-be assassins in Ethiopia. During this time of strained relations, the lines of communication remained opened and Sudan supported Ethiopia during its border war with Eritrea in 1998. The relationship began to steadily improve in 2000 and has remained favorable since then.

¶5. (SBU) Sudan once had a strong relationship with Eritrea, and supported the Eritrean People's Liberation Front (SPLF) during its 30-year war for independence from Ethiopia. The EPLF is now the ruling party of Eritrea, more recently known as the People's Front for Democracy and Justice (PFDJ). Relations soured between Sudan and Eritrea in 1993 when Eritrea accused Sudan of projecting an Islamic agenda by aiding and training the Eritrean Islamic Jihad Movement to overthrow the Eritrean government. In return, Eritrea has supported and hosted Sudanese opposition groups, including the Sudan People's Liberation Movement (SPLM), the National Democratic Alliance (NDA), and the Eastern Front, which has many of its principal officials there at present. In 1994, Eritrea severed bilateral relations with Sudan due to its support of Eritrean opposition groups. During the 1998 Eritrean-Ethiopian border war, Khartoum supported Ethiopia, further cementing the poor relations between

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Sudan and Eritrea. In 2000, diplomatic relations improved briefly, although it proved to be a short-lived improvement.

Cultural and Social Ties, Migratory Patterns

¶6. (SBU) There are at least twenty shared tribes between Ethiopia and Sudan, including the Dinka, Anuak, and Anjuk tribes of Southern Sudan. There are an estimated 79,000 South Sudanese refugees in Ethiopian refugee camps and 14,800 Ethiopian refugees in Sudanese refugee camps.

¶7. (SBU) There are an estimated 116,000 Eritrean refugees in Sudan, mainly in refugee camps in Eastern Sudan. The refugees have lived in Sudan for over twenty years, and most have no plans to return to what is now Eritrea. Culturally, Eritrea and Sudan share Beja and Rashaida tribes. One indication of these close ties is that the Governor of Kassala State allegedly was born in Eritrea and is of Eritrean descent.

Economic and Trade Ties

¶8. (SBU) In 2002, Sudanese Vice President Ali Osman Taha summed up the economic relationship between Ethiopia and Sudan as "very nominal." The highest period of trade between the two countries was in 1994, with not more than 4 million USD in total bilateral trade. In May 2006, the Sudanese Ambassador to Ethiopia stated that, "Ethiopia and Sudan are making lots of efforts in connecting roads, electrification, and fiber optics." Sudan and Ethiopia are exploring the potential to use Port Sudan as an export base for Northern Ethiopia. Sudan and Ethiopia are also working together on the Ethiopia-Sudan Transmission Interconnection Project, a high-voltage

transmission line connecting the two countries, which would be the first step in realizing an integrated power system in the Eastern Nile region.

¶9. (U) The Ethiopian government is currently importing oil from Sudan by road, which has enabled Ethiopia to reduce the cost of oil imports. Sudan currently provides about eighty percent of Ethiopia's oil needs. At present, coffee has become Sudan's primary commodity import from Ethiopia, and Sudanese investors import ready-made shoes and other leather and cement products. There is vibrant border trade in gum Arabic, sorghum, coffee, honey, and beans.

¶10. (U) The trade relationship between Eritrea and Sudan is based on informal border trade. There is no formal trade agreement between Eritrea and Sudan; however, border trade between East Sudan and Eritrea occurs with food and gum Arabic from Sudan entering Eritrea.

Political Relations

¶11. (SBU) Sudan shares its longest border with Ethiopia and receives the majority of its water from it. Currently, the two nations enjoy a positive relationship; however, critics cite the Sudanese government with failing to pay attention to strengthening the relationship. Others add that the overarching problem is that Sudan consistently looks to Arab, not African, neighbors in developing its bilateral relationships. Sudan participates in regional discussions and meetings on addressing use of the waters of the Nile. In 2002, Sudan joined Yemen and Ethiopia in the Sana'a Axis to "fight against extremists in the Horn of Africa." In April 2004, a joint ministerial committee was created to further improve relations between the two countries; in December 2005, Prime Minister Meles Zenawi visited Khartoum.

¶12. (SBU) Sudan and Ethiopia dispute the Fashaga region of Eastern Sudan, as Ethiopia claims the fertile region, which stands in contrast to its own largely rocky and mountainous landscape. Over the past three years, a demarcation committee has worked to determine the proper ownership of the land; however, Ethiopians continue to settle in large numbers in the disputed area.

¶13. (SBU) After the signing of Sudan's North-South Comprehensive Peace Agreement (CPA) in January 2005, Eritrea approached the SPLM members of the Government of National Unity (GNU), including First Vice President

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Salva Kiir and Minister of Foreign Affairs Lam Akol, to improve bilateral relations. In the later part of 2005, Salva Kiir led a delegation to Asmara; some observers believe that Asmara's approach to Khartoum was an effort to solidify Khartoum's neutrality in another border war between Eritrea and Ethiopia. In January 2006, President Bashir sent Presidential Advisor Ghazi Salahuddin to Asmara to invite personally President Isaias Afewerki to the African Union (AU) Summit held in Khartoum. However, Asmara sent a low-level delegation, underscoring the strained relationship. A series of diplomatic exchanges followed, beginning in March 2006. In April 2006, Khartoum agreed to upgrade diplomatic relations, exchange ambassadors with Eritrea, and allow Eritrea to host and mediate the anticipated GNU-Eastern Front negotiations.

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